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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA

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Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

JULY LAST MONTH FOR BASE-EXCESS PAYMENTS

In accordance with the provisions of Federal Milk Order No. 100, payments to producers on base and excess deliveries will cease with the July payments. The weighted average 'blend' price on all milk delivered will be used in making payments to producers for their milk delivery during August and through the rest of 1959.

Starting with milk deliveries from September 1, 1959 through January 31, 1960, producers will establish a new base for the 1960 March-July base-excess pay periods. Daily bases are established by each producer on his deliveries of milk to the market during the period of September through January, divided by the number of days he delivered or by 120, whichever is the greater. All producers are urged to see that their NEW BASE is established in the CORRECT NAME. Please notify this office immediately of any name change from your present payroll account.

MARKET SUMMARY - JULY 1959

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk \$4.83, Excess Milk \$2.99. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%. Chattanooga Area Milk Producers Association reports a producer premium blend of 17 cents per cwt. for July Base milk deliveries or a net Base price of \$5.00.

During July 77.3% of the total producer milk was priced in Class I at \$5.10 per cwt. with a butterfat differential of 7.5 cents and 22.7% priced in Class II at \$3.03 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 77.7% and 67.4% respectively. Base milk was 88.0% and excess milk was 12.0% of the total producer deliveries. All excess milk and 12.2% of base milk was priced in Class II and 87.8% of base milk was priced in Class I.

The daily average delivery of producer milk during July decreased 3.3% compared with June and increased 8.6% compared with July 1958. The daily average use of Class I milk increased 3.8% compared with June and increased 10.8% compared with July 1958. The daily average base delivery was 87.7% of the established base. Farm producers delivered 63.5% of July total producer milk compared to 38.2% during July 1958.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958						1959						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Can	553	516	490	474	449	433	427	413	400	390	362	343	311
Tank	229	265	289	303	319	331	334	342	349	353	380	395	418
TOTAL	782	781	779	777	768	764	761	755	749	743	742	738	729
New	2	18	23	6	2	3	4	0	2	2	1	0	0
Quit	7	19	25	8	11	7	7	6	8	8	2	4	9

JULY 1959 - CHECK TESTERS ACTIVITIES: Plant Scales checked 5; Plant calls 87; Samples tested - Composite 1,431, Fresh 5,685, Finished Products 228.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>July '59</u>	<u>June '59</u>	<u>July '58</u>
Number of Plants (Pool and Non-Pool)	19	19	21
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	142,503	162,393	222,203
Producer Milk - Bulk Tank	248,089	241,498	137,304
Total Producer Milk Pounds	390,592	403,891	359,507
% July '59 compared with:	100.0	96.7	108.6
Other Source Milk Pounds	7,618	8,013	6,070
Other Order Milk Pounds	29,086	27,714	23,714
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>427,296</u>	<u>439,618</u>	<u>389,291</u>
% July '59 compared with:	100.0	97.2	109.8
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	264,708	259,120	239,478
Buttermilk	39,295	40,101	35,373
Chocolate Milk	8,345	7,597	7,062
Fluid Skim	7,970	7,412	5,838
Fluid Creams	2,154	2,157	1,793
Bulk to Non-Handlers	7,433	1,933	8,770
Class I Shrinkage	1,992	1,274	2,047
Inventory Reclassification	(143)	(127)	(867)
Overstated Sales	-	(7)	-
Total Class I Milk	331,754	319,460	299,494
% July '59 compared with:	100.0	103.8	110.8
Class II Milk Pounds (Used to Produce)			
Butter	965	1,180	1,465
Cottage Cheese	14,420	12,813	12,284
Powdered and Condensed Milk	39,800	67,531	44,207
Ice Cream	30,776	32,315	18,632
Inventory Variation	(541)	(3,286)	2,532
Other	10,122	9,605	10,677
Total Class II Milk	95,542	120,158	89,797
% July '59 compared with:	100.0	79.5	106.4
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>427,296</u>	<u>439,618</u>	<u>389,291</u>
% Producer Milk of Gross Class I	117.7	126.4	120.0
% Delivered Base of Gross Class I	103.6	110.8	109.6
% Delivered Base priced in Class I	87.8	81.9	84.2
% Producer Milk priced in Class I	77.3	71.8	76.9

AUGUST 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Aug. '59</u>	<u>July '59</u>	<u>Aug. '58</u>
Basic Formula (See page 4)	\$3.35	\$3.35	\$3.33
Plus (\$ 1000.51(a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	(0.02)
Class I Price, 4.0% Butterfat	\$5.10	\$5.10	\$5.06

Per \$ 1000.51(a)

Supply-Demand Comparison: 1st and 2nd preceding months: June and July	
Supply: Lbs. Producer Milk (June 12,116,741 and July 12,108,357)	24,225,098
Demand: Lbs. Net Class I Milk (June 8,927,764 and July 9,590,428)	18,518,192
Utilization Percentage: Producer milk divided by Class I	131
Standard Utilization Percentage: Range 128-132	131
Net Deviation Percentage: Utilization minus Standard Utilization	0
Supply-Demand Adjustment: 2 cents x 0 percentage points	\$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the Supply-Demand provision.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JULY 1959
Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		10,284,380	3.582		
Less Other Source		927,936	3.684		
Producer Milk Class I	77.3	9,356,444	3.572255	\$4.779191	\$447,162.33
Gross Class II		2,961,799	5.481		
Less Other Source		209,886	0.224		
Producer Milk Class II	22.7	2,751,913	5.881727	4.290757	118,077.90
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,108,357	4.097137		565,240.23
Add Fractional Adjustment					.01
Add Compensatory Payment Value					530.76
Add Overage Value					214.81
Add Inventory Reclassification Value					79.25
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,498.29
TOTAL VALUE AT TEST		12,108,357	4.097137		571,563.35
Less Test over 4% @ 7.2¢ per point		12,108,357	.097137	0.069939	8,468.46
TOTAL PRODUCER MILK VALUE AT 4% TEST		12,108,357	4.0		563,094.89
		Pounds	Price-4%	Value	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,455,978	\$3.03	\$44,116.13	
Total Excess Producer Milk		1,455,978	3.03	44,116.13	
Less Prod.-Settlement Fund Res. @ 4¢		1,455,978	.04		582.39
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,455,978	2.99		43,533.74
Value of Base Milk (Total less Excess)		10,652,379	4.871952		518,978.76
Less Producer-Settlement Fund Reserve		10,652,379	.041952		4,468.89
UNIFORM BASE PRICE f.o.b. PLANT - 4%		10,652,379	\$4.83		\$514,509.87

JULY 1959 MINIMUM PRODUCER PRICES CWT f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.11	\$2.27	4.0%	\$4.83	\$2.99	5.0%	\$5.55	\$3.71
3.05	4.146	2.306	4.05	4.866	3.026	5.05	5.586	3.746
3.1	4.182	2.342	4.1	4.902	3.062	5.1	5.622	3.782
3.15	4.218	2.378	4.15	4.938	3.098	5.15	5.658	3.818
3.2	4.254	2.414	4.2	4.974	3.134	5.2	5.694	3.854
3.25	4.29	2.45	4.25	5.01	3.17	5.25	5.73	3.89
3.3	4.326	2.486	4.3	5.046	3.206	5.3	5.766	3.926
3.35	4.362	2.522	4.35	5.082	3.242	5.35	5.802	3.962
3.4	4.398	2.558	4.4	5.118	3.278	5.4	5.838	3.998
3.45	4.434	2.594	4.45	5.154	3.314	5.45	5.874	4.034
3.5	4.47	2.63	4.5	5.19	3.35	5.5	5.91	4.07
3.55	4.506	2.666	4.55	5.226	3.386	5.55	5.946	4.106
3.6	4.542	2.702	4.6	5.262	3.422	5.6	5.982	4.142
3.65	4.578	2.738	4.65	5.298	3.458	5.65	6.018	4.178
3.7	4.614	2.774	4.7	5.334	3.494	5.7	6.054	4.214
3.75	4.65	2.81	4.75	5.37	3.53	5.75	6.09	4.25
3.8	4.686	2.846	4.8	5.406	3.566	5.8	6.126	4.286
3.85	4.722	2.882	4.85	5.442	3.602	5.85	6.162	4.322
3.9	4.758	2.918	4.9	5.478	3.638	5.9	6.198	4.358
3.95	4.794	2.954	4.95	5.514	3.674	5.95	6.234	4.394

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
July '58	\$4.48 ^{2/}	\$4.62 ^{1/}	\$3.01	7.2¢	\$4.95 ^{1/}	7.5¢	\$3.05	6.6¢
Aug.	4.59 ^{1/}	-	-	7.2	5.06 ^{1/}	7.5	3.10	6.7
Sept.	4.77 ^{1/}	-	-	7.4	4.96 ^{1/}	7.6	3.45	6.9
Oct.	4.86 ^{1/}	-	-	7.6	5.14 ^{1/}	7.8	3.36	6.7
Nov.	4.88 ^{1/}	-	-	7.4	5.23 ^{1/}	7.6	3.35	6.7
Dec.	4.80 ^{1/}	-	-	7.2	5.17 ^{1/}	7.5	3.46	6.9
Jan. '59	4.88 ^{1/}	-	-	7.4	5.21 ^{1/}	7.8	3.33	6.6
Feb.	4.79 ^{1/}	-	-	7.2	5.18 ^{1/}	7.5	3.21	6.6
Mar.	4.67 ^{2/}	4.82 ^{1/}	3.11	7.2	5.21 ^{1/}	7.5	3.15	6.6
Apr.	4.49 ^{2/}	4.74 ^{1/}	3.04	7.2	5.12 ^{1/}	7.5	3.08	6.7
May	4.36 ^{2/}	4.59 ^{1/}	2.99	7.2	4.97 ^{1/}	7.5	3.03	6.7
June	4.46 ^{2/}	4.67 ^{1/}	2.99	7.2	5.05 ^{1/}	7.5	3.03	6.7
July	4.61 ^{2/}	4.83 ^{1/}	2.99	7.2	5.10 ^{1/}	7.5	3.03	6.7
Aug.	-	-	-	-	5.10 ^{1/}	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	(\$-cwt-4%)				
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
July '58	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK ^{3/}					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of	Farm -- Pounds			Milk	
	Cl. I	Cl. I	Rcpts.	Rcpts.	Rcpts.	Hdlr.Prod.	Prod.	Base	Exc.	Test %	
July '58	299,494	276,327	359,507	328,120	389,291	21 782	460	420	40	4.16	
Aug.	323,673	297,905	383,592	-	414,637	21 781	491	-	-	4.11	
Sept.	374,368	347,589	392,411	-	426,999	21 779	504	-	-	4.17	
Oct.	370,590	345,910	395,523	-	426,160	20 777	509	-	-	4.36	
Nov.	355,410	328,935	392,877	-	425,836	20 768	512	-	-	4.43	
Dec.	337,125	310,803	389,617	-	424,678	20 764	510	-	-	4.51	
Jan. '59	362,232	334,538	388,175	-	423,612	20 761	510	-	-	4.46	
Feb.	341,167	310,878	378,577	-	416,038	20 755	501	-	-	4.32	
Mar.	332,496	301,741	399,902	365,270	434,768	20 749	534	488	46	4.27	
Apr.	340,973	309,923	443,709	376,673	479,892	19 743	597	507	90	4.14	
May	328,965	299,376	433,529	370,983	469,066	19 742	584	500	84	4.13	
June	319,460	289,800	403,891	353,984	439,618	19 738	547	480	67	4.11	
July	331,754	301,821	390,592	343,625	427,296	19 729	536	471	65	4.10	

^{1/} Excludes Premium^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base